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U.S. DEPARTMENT OF COMMERCE

International Trade Administration

U.S. Medical Trade Mission to India; Mumbai, New Delhi and Hyderabad March 2-8, 2012

AGENCY: International Trade Administration, Department of Commerce

ACTION: Notice

MISSION DESCRIPTION

The United States Department of Commerce, International Trade Administration, U.S. and Foreign Commercial Service (CS) is organizing a Trade Mission to India from March 2-8, 2012. This will be a non-executive led mission.

The Medical Trade Mission to India is intended to include representatives from a variety of U.S. medical/healthcare industry manufacturers (equipment/devices, laboratory equipments, emergency equipment, diagnostic, physiotherapy and orthopedic, healthcare information technology, and other allied sectors), service providers, and associations and trade organizations. The mission will introduce the participants to the government bodies, end-users and prospective partners whose needs and capabilities are best suited to each U.S. participant's strengths. Participating in an official U.S. industry delegation, rather than traveling to India on their own, will enhance the participants' ability to secure meetings in India. The delegates will meet with government officials to obtain first-hand information about the regulations, policies and procedures in the healthcare industry. It will be an opportunity for participants to visit healthcare facilities to get acquainted with the functioning of hospitals in India and the varied standards. Market forces, such as medical tourism, insurance and

corporate sector have accelerated the demand for quality in healthcare services. As a result, there is a growing demand from consumers for better healthcare as the lack of quality assurance mechanisms limits their access to appropriate health services. The Healthcare industry is now proactively creating standards for the medical tourism industry with the help of credit rating agencies, insurance companies and others involved in the self regulation of the sector. The National Accreditation Board for Hospitals (NABH) has been set-up to establish and operate accreditation programs for healthcare organizations. Some private hospitals are also applying for accreditation from bodies such as the Joint Commission International (JCI). The mission will include appointments and briefings in Mumbai, New Delhi and Hyderabad, India's major healthcare industry hubs. Trade mission participants will have the opportunity to interact extensively with Embassy/Consulate Officials and Commercial Service (CS) India healthcare specialists, to discuss industry developments, opportunities, and sales strategies.

There is an option in the mission to participate in Medical Fair India. The Medical Fair India is the 18th International Exhibition and Conference on Diagnostic, Medical Technology, Rehabilitation, Medical Equipment and Components. MEDICAL FAIR INDIA offers a new platform for technology and service solutions for use in the medical engineering industry – from new materials, components, intermediate products, packaging and services all the way over to more complex micro system technology and nanotechnology. For more information on Medical Fair India, please visit <http://www.medicalfair-india.com/>. For the last three years the U.S. Department of Commerce has certified the Medical Fair India.

COMMERCIAL SETTING

The Indian healthcare industry is experiencing a rapid transformation and emerging to be a promising market for U.S. suppliers of high end products seeking partnership opportunities. The Indian healthcare industry is estimated at \$50 billion industry in India and is expected to reach over \$75 billion by 2012. There is a growing demand for quality healthcare service. The Indian population of 1 billion people is growing at a rate of 1.6 percent per year. The growth in affluence in India, which now has over 400 million middle-income consumers, is creating demand for a higher standard of healthcare. The type of healthcare serviced required have changed due to the change in the demographic profile of India and the rise of lifestyle-related diseases such as diabetes, cardiovascular diseases, and diseases of the central nervous system. The number of individuals covered by health plans is estimated at 20 million presently, leaving a large portion of the Indian population uninsured. The potential market for healthcare services, including healthcare information and management systems, is expected to grow at a faster pace as hospitals strive to improve operational efficiencies in managing patient records and other key systems.

Currently, the medical infrastructure in India is far from adequate with demand for hospitals and beds far surpassing availability. The problem is most acute in rural India, which accounts for over half of India's population; about 80 percent of available hospital beds are located in the urban centers, leaving only 20 percent for the larger rural population. Both the Indian government and the private sector are striving to bring about rapid growth in the industry to manage the increased demand for high quality service. Construction of several new hospitals as well as upgrades of existing hospitals is planned. Healthcare is provided through primary care facilities, secondary and tertiary care hospitals. While the first two categories are fully managed by the government, tertiary care hospitals are owned and managed either by government or private sector.

The growth in medical infrastructure is accompanied by increased demand for medical equipment/devices. The medical equipment segment is growing at an impressive rate of 15 percent. The demand for the medical equipment is expected to reach \$5 billion by 2012, reflecting significant growth from the current figure of \$2.7 billion. The new specialty and super-specialty hospital facilities depend on the import of high-end medical equipment, which accounts for over 65 percent of the entire healthcare market. The demand is primarily for high-tech devices. Most Indian healthcare institutes use foreign medical equipment for the purpose of diagnosis, treatment and surgery. The government has identified healthcare as a priority sector and has taken the following measures to promote this industry: -

- 100 per cent foreign direct investment (FDI) is permitted for health and medical services under the automatic route. (FDI in sectors/activities to the extent permitted under automatic route does not require any prior approval either by the Government or Reserve Bank of India (RBI). The investors are only required to notify the Regional Office concerned of RBI within 30 days of receipt of inward remittances and file the required documents with that office within 30 days of issue of shares of foreign investors.
- The National Rural Health Mission (NRHM) has allocated US\$ 10.15 billion for the up-grading and capacity enhancement of healthcare facilities
- Moreover, in order to meet the revised cost of construction, in March 2010 the Government of India (GOI) allocated an additional US\$ 1.2 billion for the construction of six All India Institute of Medical Sciences (AIIMS)-like institutes and up- grade of 13 existing Government Medical Colleges.

Medical tourism is one of the major external drivers of growth of the Indian healthcare sector. The cost of major surgeries in India remains relatively low. Government and private sector estimates

the value of this segment of the industry will reach \$1.5 billion by 2012. The healthcare industry is now proactively creating standards for the medical tourism industry with the help of credit rating agencies, insurance companies and others involved in the self regulation of the sector. The National Accreditation Board for Hospitals (NABH) has been set-up to establish and operate accreditation programs for healthcare organizations. Some private hospitals are also applying for accreditation from bodies such as the Joint Commission International (JCI).

The growth in this industry makes it very attractive for U.S. companies, both large companies already doing business in the market but also and especially small- and medium- sized enterprises (SMEs), and new-to-market (NTM) companies.

MISSION GOALS

The goal of the Medical Trade Mission to India is to 1) familiarize the participants with the current healthcare situation as well as the developments taking place in India 2) introduce participants to government officials in India to learn about various regulatory procedures and policies in the healthcare sector 3) introduce participants to Indian companies for potential partnerships.

MISSION SCENARIO

The first stop on the mission itinerary is Mumbai, the financial capital of India, located in western India. New Delhi and Hyderabad are the second and third stops of the mission and are located in northern and western India. Several corporate hospital chains have their headquarters in these cities. These include Max group and Medicity Medanta in New Delhi, the Apollo group in Hyderabad, Fortis and the Tata Research in Mumbai.

In all three cities the delegates will attend Embassy and industry briefings, networking events and take part in business matchmaking appointments with private-sector organizations. As New Delhi is the capital city and home to Central (Federal) Government, the participants will have an opportunity in New Delhi to meet the representatives of the Ministry of Health, Drugs Controller General's Office, and Department of Pharmaceutical. The U.S. mission members will learn about policies, procedures and opportunities in the country's healthcare industry.

These three cities are each regional hubs for the medical/healthcare industry. The end-users of the healthcare industry often prefer to be serviced by regional distributors/agents rather than country-wide distributors. Thus, medical equipment importers/distributors are based in these cities to supply and service the regions surrounding each of the cities. The three cities will serve as good locations for business one-on-one matchmaking meetings and networking.

U.S. participants will be counseled before and after the mission by U.S. Export Assistance Center trade specialists, primarily by members of the Global Healthcare Team. Participation in the mission will include the following:

- Pre-travel briefings/webinar on subjects ranging from business practices in India to security;
- Embassy/Consulate briefings on the business climate, political scenario, medical/healthcare industry scenario;
- Industry briefings "Doing business in India - focus sector medical/ healthcare";
- Pre-scheduled meetings with potential partners, distributors, end users, or local industry contacts in Mumbai, New Delhi and Hyderabad;

- Meetings with Indian Government officials in New Delhi;
- Tour of hospitals and interaction with senior hospital staff and procurement head (all the three stops); and
- Networking receptions in three cities of the trade mission.

PROPOSED TIMETABLE

Mission participants will be encouraged to arrive Thursday, March 1, 2012 to allow time to adjust to their new surroundings before the mission program begins on Friday, March 2.

Friday March 2	Mumbai Morning: Consulate & Industry briefing by U.S. Department of Commerce at the hotel Noon/ Afternoon: Option I – Trade Mission One-on-One business matchmaking appointments at the hotel Lunch – private lunch Option II- participate/exhibit in Medical Fair 2012 by Messe Dusseldorf Evening: Networking reception at the hotel
Saturday March 3	Mumbai/ New Delhi Option I-

	<p>Morning: One-on-One business matchmaking appointments at the hotel</p> <p>Late afternoon: Check-out of the hotel & depart for Mumbai airport</p> <p>Travel to New Delhi</p> <p>Evening: Arrive New Delhi</p> <p>Option II- participate/exhibit in Medical Fair 2012 by Messe Dusseldorf.</p> <p>Delegates in Option 2 depart for New Delhi on Sunday, March 4, 2011</p>
<p>Sunday</p> <p>March 4</p>	<p>New Delhi</p> <p>Free day for the delegates in Option 1/Travel Day for the Delegates in Option II</p>
<p>Monday</p> <p>March 5</p>	<p>New Delhi</p> <p>Morning: Breakfast briefing by the U.S. Commercial Service at hotel</p> <p>Meetings with the Government of India Ministries</p> <p>Lunch: Private lunch</p> <p>Afternoon: One-on-one matchmaking meeting at the hotel</p> <p>Evening: Networking reception</p>
<p>Tuesday</p> <p>March 6</p>	<p>New Delhi/Hyderabad</p> <p>Morning: One-on-one matchmaking meeting at the hotel</p> <p>Lunch on own</p> <p>Late afternoon: Check-out of the hotel & depart for New Delhi airport</p> <p>Travel to Hyderabad</p> <p>Evening: Arrive Hyderabad</p>
<p>Wednesday</p>	<p>Hyderabad</p>

March 7	Morning: One-on-One business matchmaking appointments at the hotel Private lunch Afternoon: One-on-One business matchmaking appointments at the hotel Evening: Networking reception
Thursday March 8	Hyderabad Hospital chain visit and meeting with senior management Lunch on own Evening: Check-out of the hotel Depart for Hyderabad International airport for onward travel

PARTICIPATION REQUIREMENTS

All parties interested in participating in the India Medical Trade Mission must complete and submit an application for consideration by the Department of Commerce. All applicants will be evaluated on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. A minimum of 15 and a maximum of 20 companies will be selected to participate in the mission from the applicant pool. U.S. companies already doing business in India as well as U.S. companies seeking to enter the Indian market for the first may apply.

Fees and Expenses:

After a company or organization has been selected to participate on the mission, a payment to the Department of Commerce in the form of a participation fee is required.

Option 1: The participation fee for the three city (Mumbai, New Delhi and Hyderabad) Trade Mission will be **\$4537.00** for a small or medium-sized enterprise (SME),* or trade organization, and **\$5225.00** for large firms. The fee for each additional firm representative (large firm or SME/trade organization) is \$500.

Option 2: Fee, for participants joining the Trade Mission in two-cities (Delhi and Hyderabad) will be **\$3,275.00** for SMEs or trade organizations, and **\$3950.00** for large companies. The fee for each additional firm representative (large firm or SME/trade organization) is \$500. Selecting option II* in Mumbai i.e. exhibiting in Medical Fair India* will be approximately **\$3547.00 for 9 sq.m. shell scheme space + \$578.00 as registration fees (this will be billed in Euros)**

(*Fee for participating in the Medical Fair 2012 is separate and will have to be paid directly to the organizers Messe Dusseldorf.)

Expenses for lodging, some meals, incidentals, and travel (except for transportation to and from meetings) will be the responsibility of each mission participant.

Conditions for Participation:

* An SME is defined as a firm with 500 or fewer employees or that otherwise qualifies as a small business under SBA regulations (see <http://www.sba.gov/category/navigation-structure/contracting/contracting-officials/size-standards>) Parent companies, affiliates, and subsidiaries will be considered when determining business size. The dual pricing schedule reflects the Commercial Service's user fee schedule that became effective May 1, 2008 (for additional information see <http://www.export.gov/newsletter/march2008/initiatives.html>).

- An applicant must submit a completed and signed mission application and supplemental application materials, including adequate information on the company's products and/or services, (or in the case of a trade association or trade organization, information on the products and/or services of the companies to be represented on the trade mission), primary market objectives, and goals for participation. If the Department of Commerce receives an incomplete application, the Department may reject the application, request additional information, or take the lack of information into account when evaluating the applications.
- Each applicant must also certify that the products and services it seeks to export through the mission are either produced in the United States, or, if not, marketed under the name of a U.S. firm and have at least fifty-one percent U.S. content. In the case of a trade association or trade organization, the applicant must certify that, for each company to be represented by the trade association or trade organization, the products and services the represented company seeks to export are either produced in the United States, or, if not, marketed under the name of a U.S. firm and have at least fifty-one percent U.S. content.

Selection Criteria for Participation

Selection will be based on the following criteria:

- Suitability of a company's (or, the case of a trade association or trade organization, representing companies') products or services to the mission's goals.
- Company's (or, in the case of a trade association or trade organization, represented companies') potential for business in India, including likelihood of exports resulting from the trade mission.
- Consistency of the applicant's goals and objectives with the stated scope of the trade mission.

Referrals from political organizations and any documents containing references to partisan political activities (including political contributions) will be removed from an applicant's submission and not considered during the selection process.

TIMEFRAME FOR RECRUITMENT AND APPLICATIONS

Mission recruitment will be conducted in an open and public manner, including publication in the Federal Register (<http://www.gpoaccess.gov/fr>), posting on ITA's trade mission calendar – www.trade.gov/trade-missions – and other Internet web sites, press releases to general and trade media, direct mail, broadcast fax, notices by industry trade associations and other multiplier groups, and publicity at industry meetings, symposia, conferences, and trade shows.

Recruitment for the mission will begin immediately and conclude no later than December 22, 2011. The U.S. Department of Commerce will review applications and make selection decisions on a rolling basis. We will inform all applicants of selection decisions as soon as possible after the applications are reviewed. Applications received after the December 22 deadline will be considered only if space and scheduling constraints permit.

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